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FAST RETAILING
FAST RETAILING CO., LTD.
迅銷有限公司
(Incorporated in Japan with limited liability)
 (Stock Code:6288)

**INTERIM RESULTS ANNOUNCEMENT
 FOR THE SIX MONTHS ENDED 28 FEBRUARY 2017
 AND
 RESUMPTION OF TRADING**

The board (the "Board") of directors (the "Directors") of FAST RETAILING CO., LTD. (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 28 February 2017.

At the request of the Company, trading in its Hong Kong depositary receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 13 April 2017, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Tuesday, 18 April 2017.

(Amounts are rounded down to the nearest million Japanese Yen unless otherwise stated)

1. CONSOLIDATED RESULTS

(1) Consolidated Operation Results (1 September 2016 to 28 February 2017)

(Percentages represent year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended 28 February 2017	1,017,508	0.6	130,657	31.5	147,610	79.9	103,414	101.1
Six months ended 29 February 2016	1,011,653	6.5	99,341	(33.8)	82,041	(49.9)	51,434	(53.7)

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Six months ended 28 February 2017	97,233	106.7	186,220	—	953.55	952.17
Six months ended 29 February 2016	47,043	(55.1)	(47,250)	—	461.43	460.80

(2) Consolidated Financial Positions

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity per share attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As at 28 February 2017	1,388,138	766,795	736,750	53.1	7,224.61
As at 31 August 2016	1,238,119	597,661	574,501	46.4	5,634.35

2. DIVIDENDS

	Dividend per share				
	First quarter period end	Second quarter period end	Third quarter period end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended 31 August 2016	—	185.00	—	165.00	350.00
Year ending 31 August 2017	—	175.00			
Year ending 31 August 2017 (forecast)			—	175.00	350.00

(Note) Revisions during this quarter of dividends forecast for fiscal year: None

3. CONSOLIDATED BUSINESS RESULTS PROJECTION FOR YEAR ENDING 31 AUGUST 2017 (1 SEPTEMBER 2016 TO 31 AUGUST 2017)

(% shows rate of increase/decrease from previous period)

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ending 31 August 2017	1,850,000	3.6	175,000	37.5	175,000	93.9	100,000	108.1

	Basic earnings per share attributable to owners of the parent
	Yen
Year ending 31 August 2017	980.74

(Note) Revisions during this quarter of consolidated business results projection for year ending 31 August 2017: None

* Notes

- (1) Changes of principal subsidiaries in the period: None
- (2) Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements after error corrections:
- (i) Changes in accounting policies to conform with IFRS: None
 - (ii) Other changes in accounting policies: None
 - (iii) Change in accounting estimates: None

(3) Total number of issued shares (Common stock)

(i)	Number of issued shares (including treasury stock)	As at 28 February 2017	106,073,656 shares	As at 31 August 2016	106,073,656 shares
(ii)	Number of treasury stock	As at 28 February 2017	4,095,835 shares	As at 31 August 2016	4,109,503 shares
(iii)	Average number of issued shares	For Six months ended 28 February 2017	101,970,207 shares	For Six months ended 29 February 2016	101,950,064 shares

* This interim results announcement is not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act of Japan.

* Explanation and other notes concerning proper use of consolidated business results projection:

Statements made in these materials such as those pertaining to future matters such as business projections are based on information presently available to the Company and certain assumptions determined to be reasonable. Actual business results may vary substantially depending on a variety of factors. For the background, assumptions and other matters regarding business results projection, please refer to P. 6 “(3) Qualitative Information Concerning Consolidated Business Results Projection”.

1. Business Results

(1) Results of Operations

The Fast Retailing Group reported a rise in both revenue and operating profit in the first half of fiscal 2017, or the six months from 1 September 2016 to 28 February 2017. Consolidated revenue reached ¥1.0175 trillion (+0.6% year-on-year), while consolidated operating profit totaled ¥130.6 billion (+31.5% year-on-year). The consolidated gross profit margin improved 1.5 points year-on-year, and the selling, general and administrative expense ratio improved 0.7 point as we strengthened the Group-wide cost-cutting drive initiated in fiscal 2016. We recorded a foreign exchange gain of ¥15.4 billion under finance income after the February month-end spot exchange rate closed lower than the August month-end rate, boosting the carrying amount of our long-term foreign-currency denominated assets in yen terms. As a result, Fast Retailing consolidated profit rose significantly in the first half. Profit before income taxes increased by a 79.9% year-on-year to ¥147.6 billion, and profit attributable to owners of the parent expanded 106.7% year-on-year to ¥97.2 billion. Breaking the first-half performance down into the three individual business segments: UNIQLO Japan and UNIQLO International generated increases in both revenue and operating profit, while Global Brands recorded a rise in revenue but a fall in operating profit.

The Group's medium-term vision is to become the world's number one apparel retailer. To this aim, we are focusing our efforts on expanding UNIQLO International and our low-priced GU casual fashion brand. We continue to increase UNIQLO store numbers in each country where we operate, and open global flagship stores and large-format stores in major cities around the world to help consolidate UNIQLO's position as a key global brand. In addition, we are expanding our GU operation, which has grown into a second pillar brand for the Group alongside UNIQLO, by accelerating GU store openings in Japan and aggressively promoting new store development in international markets. In February 2017, the launch of the UNIQLO CITY TOKYO Ariake office also heralded the launch a speedier, more concurrent product-creation and information-generating system. We intend to use the new Ariake base as a springboard to revolutionize our supply chain processes, including planning and design, raw materials procurement, manufacturing, logistics and retail, transform our operational structure, and develop a new digital retailing business model to optimize profit for the Fast Retailing Group.

UNIQLO Japan

UNIQLO Japan generated rises in both revenue and profit in the first half of fiscal 2017, with revenue totaling ¥455.1 billion (+0.3% year-on-year) and operating profit totaling ¥68.7 billion (+7.3% year-on-year). Same-store sales, including online sales, increased 0.1% year-on-year. The total number of UNIQLO Japan stores declined by a net 14 stores year-on-year to 791 (excluding 41 franchise stores) at the end of February 2017. Of this total, two stores shifted from directly operated stores to employee franchise stores.

A number of factors contributed to the increase in first-half same-store sales. First, the UNIQLO anniversary sale in November 2016 generated strong sales. Core Winter ranges such as HEATTECH innerwear, cashmere sweaters and BLOCKTECH outerwear also performed well, and 2017 Spring Summer ranges got off to a strong start in February. On the profit front, the gross profit margin improved 2.1 points year-on-year as we maintained new attractive, instantly recognizable prices and kept a firm control on discounting. Thanks to persistent cost-cutting efforts, we were able to successfully reduce all business expenses items by a greater margin than originally planned, with the exception of distribution costs, which were boosted temporarily by measures taken to transform our logistics systems and by higher distribution outsourcing costs. As a result of increased distribution cost, the selling, general and administrative expense ratio rose by 0.8 point year-on-year. E-commerce sales increased by 11.7% year-on-year in the first half of fiscal 2017 to ¥28.2 billion, constituting 6.2% of total sales. We are looking to expand e-commerce further by offering a broader range of special online sizes and exclusive online ranges, and enhancing services designed to make online shopping more convenient, such as enabling customers to pick up their online purchases at their local convenience store or UNIQLO store.

UNIQLO International

UNIQLO International reported rises in both revenue and operating profit in the first six months of fiscal 2017, with revenue expanding by 0.9% year-on-year to ¥392.8 billion and operating profit expanding by a considerable 65.9% to ¥48.7 billion. Revenue increased healthily across the vast majority of UNIQLO international's operations in local-currency terms. However, the effect of the stronger yen compared to the previous year pushed yen-based revenue down by an average 11%, resulting in the segment's more subdued 0.9% rise in overall revenue.

On the profit side, UNIQLO International recorded a significant increase in operating profit thanks to improvements in both the gross profit margin and the selling, general and administrative expense ratio. Profit contributions from Mainland China and Southeast Asia were especially strong. The UNIQLO operation in Mainland China reported strong sales and a large rise in profit on the back of an improved gross profit margin and the selling, general and administrative expense ratio, while UNIQLO Southeast Asia achieved strong growth in same-store sales. UNIQLO brand visibility in Southeast Asia has improved markedly thanks to efforts to broaden the local customer base by incorporating a broader range of products developed specifically to suit local climates and cultures; stronger marketing activities; and the opening of the first UNIQLO global flagship store, the Orchard Central Store, in Singapore in September 2016. Elsewhere, UNIQLO USA recorded a considerable reduction in operating losses following the successful implementation of operational changes. Our first two UNIQLO Canada stores, opened in Toronto in September 2016, continue to enjoy great success. Store numbers for the segment as a whole had expanded by 139 year-on-year to 1,029 stores at the end of February 2017.

Global Brands

Global Brands revenue expanded 0.5% year-on-year to ¥168.1 billion in the first half of fiscal 2017, but operating profit declined 29.7% year-on-year to ¥10.0 billion, largely due to a contraction in profit at our low-priced GU casual fashion brand.

GU profit declined after 2016 Fall Winter ranges proved less popular than initially expected, leading to aggressive discounting of excess inventory and contraction in the gross profit margin. In addition, the performance was being compared to an extremely buoyant first-half period in fiscal 2016 when operating profit expanded by 60% year-on-year. However, strong sales of individual product items such as big sweatshirts, baggy pants, loungewear, and sports sneakers helped stem the overall decline in first-half same-store sales at 1.1% year-on-year. In March 2017, we extended GU's international store network, which currently spans Shanghai and Taiwan, by opening the first GU store in Hong Kong. We intend to continue expanding the GU operation by accelerating store openings in Japan and actively promoting new store development in international markets.

Looking finally at other labels in the Global Brands segment, our France-based Comptoir des Cottonniers fashion brand reported a decline in revenue on sluggish sales, but generated a steady operating profit on active cost-cutting. Our France-based Princesse tam.tam label and our US-based J Brand premium denim label continued to generate a loss, while fashion brand Theory performed well to generate a rise in profit in the six months to February 2017.

Sustainability

In November 2016, Fast Retailing Co., Ltd. changed the name of the CSR Department to the Sustainability Department. As the business activities of our group expand and become more globalized, we believe that it is necessary for us to engage in business activities with a commitment to sustainability from a long-term perspective.

In our group initiatives aimed at sustainability there are four accountability areas which include supply chain, product, stores and community, and employees. Through innovation across these areas we will pursue growth while addressing social and environmental concerns, and greater transparency.

In January 2017, we published the Sustainability Report 2017. Changing the name from the previous CSR Report, this report features activity reports and improvement measures for the fiscal year ended August 2016.

In February 2017, we held a meeting of the Sustainability Committee. As a management strategy for the entire group, we will formulate and implement a comprehensive sustainability strategy. As a first step, we established the Fast Retailing Group Sustainability Policy which will serve as a guideline for promoting initiatives to achieve sustainability. Moreover, to increase the transparency of our supply chain and to further fulfill our responsibility in regard to the environment and human rights issues, we published on our website a list of UNIQLO's core partner factories.

We will take active steps to disclose information in our sustainability report and on our website. Moreover, we will promote dialogue with diverse stakeholders and engage in activities where we assume social responsibility.

(2) Financial Positions and Cash Flows Information

(i) Financial Positions

Total assets as at 28 February 2017 were ¥1,388.1 billion, which was an increase of ¥150.0 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥184.4 billion in cash and cash equivalents, a decrease of ¥34.9 billion in inventories, an increase of ¥17.7 billion in derivative financial assets and a decrease of ¥26.0 billion in deferred tax assets.

Total liabilities as at 28 February 2017 were ¥621.3 billion, which was a decrease of ¥19.1 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥15.2 billion in trade and other payables, a decrease of ¥69.7 billion in derivative financial liabilities, an increase of ¥28.4 billion in income taxes payable and an increase of ¥7.5 billion in other current liabilities.

Total net assets as at 28 February 2017 were ¥766.7 billion, which was an increase of ¥169.1 billion relative to the end of the preceding consolidated fiscal year. The principal factor was an increase of ¥80.4 billion in retained earnings and an increase of ¥80.5 billion in other components of equity.

(ii) Cash Flows Information

Cash and cash equivalents as at 28 February 2017 had increased by ¥65.8 billion from the six months ended 29 February 2016, to ¥569.8 billion.

Net cash from operating activities for the six months ended 28 February 2017 was ¥211.2 billion, which was an increase of ¥67.3 billion (+46.8 % year-on-year) from the six months ended 29 February 2016. The principal factors were ¥147.6 billion in profit before income taxes (an increase of ¥65.5 billion from the six months ended 29 February 2016), decrease in movement of inventories amounted to ¥44.6 billion (an increase of ¥16.6 billion from the six months ended 29 February 2016) and ¥12.6 billion in Increase in trade and other payables (a decrease of ¥10.1 billion from the six months ended 29 February 2016).

Net cash used in investing activities for the six months ended 28 February 2017 was ¥16.5 billion, which was a decrease of ¥185.5 billion (-91.8 % year-on-year) from the six months ended 29 February 2016. The principal factors were decrease of ¥5.3 billion in bank deposits with maturity over 3 months (a decrease of ¥185.6 billion from the six months ended 29 February 2016).

Net cash used in financing activities for the six months ended 28 February 2017 was ¥25.2 billion, which was an increase of ¥247.0 billion from the six months ended 29 February 2016. The principal factor was the proceeds of ¥249.3 billion arising from issuance of corporate bonds during the six months ended 29 February 2016.

(3) Qualitative Information Concerning Consolidated Business Results Projection

While our business has performed better than expected in the first quarter, we have decided not to make any changes to our initial full year consolidated business results projection for year ending 31 August 2017 as reported in the “Annual Results Announcement” released on 13 October 2016.

2. Summary Information (Notes)

(1) Changes of principal subsidiaries:

Not applicable.

(2) Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements after error corrections:

Not applicable.

3. Interim Condensed Consolidated Financial Statements

(1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As at 31 August 2016	As at 28 February 2017
ASSETS		
Current assets		
Cash and cash equivalents	385,431	569,861
Trade and other receivables	45,178	48,772
Other current financial assets	184,239	196,285
Inventories	270,004	235,072
Derivative financial assets	569	18,308
Income taxes receivable	21,626	1,259
Others	17,534	17,295
Total current assets	924,583	1,086,854
Non-current assets		
Property, plant and equipment	121,853	129,823
Goodwill	17,908	18,089
Other intangible assets	34,205	38,337
Non-current financial assets	77,553	77,994
Investments in associates	13,132	13,669
Deferred tax assets	44,428	18,413
Others	4,453	4,955
Total non-current assets	313,535	301,284
Total assets	1,238,119	1,388,138
Liabilities and equity		
LIABILITIES		
Current liabilities		
Trade and other payables	189,501	204,749
Derivative financial liabilities	72,388	2,604
Other current financial liabilities	12,581	11,105
Income taxes payable	9,602	38,056
Provisions	22,284	18,381
Others	31,689	39,243
Total current liabilities	338,046	314,140
Non-current liabilities		
Non-current financial liabilities	274,090	274,484
Provisions	10,645	11,643
Deferred tax liabilities	3,809	5,121
Others	13,865	15,953
Total non-current liabilities	302,411	307,202
Total liabilities	640,458	621,343
EQUITY		
Capital stock	10,273	10,273
Capital surplus	13,070	14,294
Retained earnings	613,974	694,383
Treasury stock, at cost	(15,633)	(15,586)
Other components of equity	(47,183)	33,385
Equity attributable to owners of the parent	574,501	736,750
Non-controlling interests	23,159	30,045
Total equity	597,661	766,795
Total liabilities and equity	1,238,119	1,388,138

(2) Interim Condensed Consolidated Statement of Profit or Loss and Interim Condensed Consolidated Statement of Comprehensive Income*Interim Condensed Consolidated Statement of Profit or Loss**(Millions of yen)*

		Six months ended 29 February 2016	Six months ended 28 February 2017
	Notes		
Revenue		1,011,653	1,017,508
Cost of sales		(534,717)	(523,298)
Gross profit		476,935	494,209
Selling, general and administrative expenses	2	(370,729)	(365,486)
Other income	3	921	3,605
Other expenses	3	(7,786)	(1,671)
Operating profit		99,341	130,657
Finance income	4	973	18,613
Finance costs	4	(18,273)	(1,660)
Profit before income taxes		82,041	147,610
Income taxes		(30,606)	(44,196)
Profit for the period		51,434	103,414
Attributable to:			
Owners of the parent		47,043	97,233
Non-controlling interests		4,391	6,180
Profit for the period		51,434	103,414
Earnings per share			
Basic (Yen)	5	461.43	953.55
Diluted (Yen)	5	460.80	952.17

*Interim Condensed Consolidated Statement of Comprehensive Income**(Millions of yen)*

		Six months ended 29 February 2016	Six months ended 28 February 2017
Profit for the period		51,434	103,414
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss		—	—
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Net loss on revaluation of available-for-sale investments		(39)	(21)
Exchange differences on translation of foreign operations		(18,341)	24,821
Cash flow hedges		(80,303)	58,005
Other comprehensive income/(loss), net of taxes		(98,684)	82,805
Total comprehensive income/(loss) for the period		(47,250)	186,220
Attributable to:			
Owners of the parent		(48,770)	177,802
Non-controlling interests		1,520	8,418
Total comprehensive income/(loss) for the period		(47,250)	186,220

(3) Interim Condensed Consolidated Statement of Changes in Equity

For six months ended 29 February 2016

(Millions of yen)

	Other components of equity							Equity attributable		Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Available-for-sale reserve	Foreign currency translation reserve	Cash-flow hedge reserve	Total	to owners of the parent		
As at 1 September 2015	10,273	11,524	602,623	(15,699)	143	37,851	104,219	142,214	750,937	23,867	774,804
Net changes during the period											
Comprehensive income											
Profit for the period	—	—	47,043	—	—	—	—	—	47,043	4,391	51,434
Other comprehensive income	—	—	—	—	(39)	(15,874)	(79,899)	(95,813)	(95,813)	(2,871)	(98,684)
Total comprehensive income	—	—	47,043	—	(39)	(15,874)	(79,899)	(95,813)	(48,770)	1,520	(47,250)
Transactions with the owners											
Acquisition of treasury stock	—	—	—	(4)	—	—	—	—	(4)	—	(4)
Disposal of treasury stock	—	337	—	42	—	—	—	—	379	—	379
Dividends	—	—	(17,840)	—	—	—	—	—	(17,840)	(2,067)	(19,907)
Share-based payments	—	984	—	—	—	—	—	—	984	—	984
Others	—	187	—	—	—	—	—	—	187	454	641
Total transactions with the owners	—	1,508	(17,840)	37	—	—	—	—	(16,294)	(1,612)	(17,907)
Total net changes during the period	—	1,508	29,202	37	(39)	(15,874)	(79,899)	(95,813)	(65,065)	(92)	(65,157)
As at 29 February 2016	10,273	13,032	631,826	(15,662)	103	21,977	24,319	46,400	685,871	23,775	709,647

For six months ended 28 February 2017

(Millions of yen)

	Other components of equity							Equity attributable		Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Available-for-sale reserve	Foreign currency translation reserve	Cash-flow hedge reserve	Total	to owners of the parent		
As at 1 September 2016	10,273	13,070	613,974	(15,633)	248	(2,811)	(44,619)	(47,183)	574,501	23,159	597,661
Net changes during the period											
Comprehensive income											
Profit for the period	—	—	97,233	—	—	—	—	—	97,233	6,180	103,414
Other comprehensive income	—	—	—	—	(21)	22,989	57,600	80,568	80,568	2,237	82,805
Total comprehensive income	—	—	97,233	—	(21)	22,989	57,600	80,568	177,802	8,418	186,220
Transactions with the owners											
Acquisition of treasury stock	—	—	—	(6)	—	—	—	—	(6)	—	(6)
Disposal of treasury stock	—	447	—	52	—	—	—	—	499	—	499
Dividends	—	—	(16,824)	—	—	—	—	—	(16,824)	(1,531)	(18,356)
Share-based payments	—	776	—	—	—	—	—	—	776	—	776
Total transactions with the owners	—	1,223	(16,824)	46	—	—	—	—	(15,554)	(1,531)	(17,085)
Total net changes during the period	—	1,223	80,409	46	(21)	22,989	57,600	80,568	162,248	6,886	169,134
As at 28 February 2017	10,273	14,294	694,383	(15,586)	226	20,178	12,980	33,385	736,750	30,045	766,795

(4) Interim Condensed Consolidated Statement of Cash Flows*(Millions of yen)*

	Six months ended 29 February 2016	Six months ended 28 February 2017
Profit before income taxes	82,041	147,610
Depreciation and amortization	18,656	17,996
Increase/(decrease) in allowance for doubtful accounts	(28)	(15)
Increase/(decrease) in other provisions	(5,749)	(4,858)
Interest and dividend income	(973)	(2,872)
Interest expenses	920	1,660
Foreign exchange losses/(gains)	17,353	(15,496)
Share of profits and losses of associates	—	(340)
Losses on retirement of property, plant and equipment	519	599
Decrease/(increase) in trade and other receivables	(5,054)	(3,170)
Decrease/(increase) in inventories	27,941	44,638
Increase/(decrease) in trade and other payables	22,764	12,643
Decrease/(increase) in other assets	1,835	(2,006)
Increase/(decrease) in other liabilities	5,813	11,394
Others, net	(1,938)	(2,333)
Subtotal	164,101	205,448
Interest and dividend income received	973	3,074
Interest paid	(733)	(1,683)
Income taxes paid	(38,301)	(16,537)
Income taxes refund	17,811	20,920
Net cash from operating activities	143,851	211,222
Decrease/(increase) in bank deposits with maturity over 3 months	(180,353)	5,309
Purchases of property, plant and equipment	(17,062)	(17,415)
Proceeds from sales of property, plant and equipment	1,003	22
Purchases of intangible assets	(4,555)	(4,944)
Payments for lease and guarantee deposits	(2,102)	(1,767)
Proceeds from collection of lease and guarantee deposits	519	1,130
Investments in associates	—	(196)
Increase in construction assistance fund receivables	(807)	(575)
Decrease in construction assistance fund receivables	1,023	859
Others, net	228	990
Net cash used in investing activities	(202,107)	(16,586)

(Millions of yen)

	Six months ended 29 February 2016	Six months ended 28 February 2017
Net increase/(decrease) in short-term loans payable	(2,870)	(2,860)
Repayment of long-term loans payable	(2,985)	(1,163)
Proceeds from issuance of corporate bonds	249,369	—
Cash dividends paid	(17,840)	(16,824)
Cash dividends paid to non-controlling interests	(2,067)	(1,698)
Repayments of lease obligations	(2,319)	(2,504)
Others, net	497	(182)
Net cash from/(used in) financing activities	221,785	(25,234)
Effect of exchange rate changes on cash and cash equivalents	(14,739)	15,027
Net increase in cash and cash equivalents	148,789	184,429
Cash and cash equivalents at beginning of period	355,212	385,431
CASH AND CASH EQUIVALENTS AT END OF PERIOD	504,002	569,861

(5) Notes to assumption of going concern

Not applicable.

(6) Notes to the Interim Condensed Consolidated Financial Statements

1. Segment information

(i) Description of reportable segments

The Group's reportable segments are components for which discrete financial information is available and is reviewed regularly by the Board to make decisions about the allocation of resources and to assess performance.

The Group's main retail clothing business is divided into three reportable operating segments: UNIQLO Japan, UNIQLO International and Global Brands, each of which is used to frame and form the Group's strategy.

The main businesses covered by each reportable segment are as follows:

UNIQLO Japan: UNIQLO clothing business within Japan

UNIQLO International: UNIQLO clothing business outside of Japan

Global Brands: GU, Theory, COMPTOIR DES COTONNIERS, PRINCESSE TAM. TAM and J Brand clothing operations

(ii) Method of calculating segment revenue and results

The methods of accounting for the reportable segments are the same as those stated in the "Significant Accounting Policies" of the Group's annual consolidated financial statements for the year ended 31 August 2016.

The Group does not allocate assets and liabilities to individual reportable segments.

(iii) Segment information

For the six months ended 29 February 2016

(Millions of yen)

	Reportable segments			Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	Global Brands				
Revenue	453,693	389,255	167,316	1,010,265	1,387	—	1,011,653
Operating profit	64,113	29,402	14,310	107,825	8	(8,492)	99,341
Segment income (profit before income taxes)	63,794	28,666	13,651	106,112	8	(24,079)	82,041

(Note 1) "Others" include real estate leasing business, etc.

(Note 2) "Adjustments" mainly include revenue and corporate expenses which are not allocated to individual reportable segments.

For the six months ended 28 February 2017

(Millions of yen)

	Reportable segments			Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	Global Brands				
Revenue	455,122	392,862	168,198	1,016,184	1,324	—	1,017,508
Operating profit	68,788	48,773	10,067	127,629	113	2,914	130,657
Segment income (profit before income taxes)	71,242	49,223	9,988	130,454	113	17,042	147,610

(Note 1) "Others" include real estate leasing business, etc.

(Note 2) "Adjustments" mainly include revenue and corporate expenses which are not allocated to individual reportable segments.

2. Selling, general and administrative expenses

The breakdown of selling, general and administrative expenses for each reporting period is as follows:

(Millions of yen)

	Six months ended 29 February 2016	Six months ended 28 February 2017
Selling, general and administrative expenses		
Advertising and promotion	40,835	38,588
Rental expenses	91,163	89,627
Depreciation and amortization	18,656	17,996
Outsourcing	17,347	16,078
Salaries	121,597	122,301
Others	81,128	80,894
Total	370,729	365,486

3. Other income and other expenses

The breakdown of other income and other expenses for each reporting period is as follows:

(Millions of yen)

	Six months ended 29 February 2016	Six months ended 28 February 2017
Other income		
Foreign exchange gains*	—	2,238
Gains on sales of property, plant and equipment	33	6
Share of profits and losses of associates	—	340
Others	887	1,020
Total	921	3,605

* Currency adjustments incurred in the course of operating transactions are included in "other income".

(Millions of yen)

	Six months ended 29 February 2016	Six months ended 28 February 2017
Other expenses		
Foreign exchange losses*	5,494	—
Loss on retirement of property, plant and equipment	519	599
Others	1,772	1,072
Total	7,786	1,671

* Currency adjustments incurred in the course of operating transactions are included in "other expenses".

4. Finance income and finance costs

The breakdown of finance income and finance costs for each reporting period is as follows:

(Millions of yen)

	Six months ended 29 February 2016	Six months ended 28 February 2017
Finance income		
Foreign exchange gains*	—	15,496
Interest income	968	2,867
Dividend income	5	5
Others	—	244
Total	973	18,613

* Currency adjustments incurred in the course of non-operating transactions are included in “finance income”.

(Millions of yen)

	Six months ended 29 February 2016	Six months ended 28 February 2017
Finance costs		
Foreign exchange losses*	17,353	—
Interest expenses	920	1,660
Total	18,273	1,660

* Currency adjustments incurred in the course of non-operating transactions are included in “finance costs”.

5. Earnings per share

Six months ended 29 February 2016		Six months ended 28 February 2017	
Equity per share attributable to owners of the parent (Yen)	6,727.12	Equity per share attributable to owners of the parent (Yen)	7,224.61
Basic earnings per share for the period (Yen)	461.43	Basic earnings per share for the period (Yen)	953.55
Diluted earnings per share for the period (Yen)	460.80	Diluted earnings per share for the period (Yen)	952.17

(Note) The basis for calculation of basic earnings per share and diluted earnings per share for the period is as follows:

	Six months ended 29 February 2016	Six months ended 28 February 2017
Basic earnings per share for the period		
Profit for the period attributable to owners of the parent (Millions of yen)	47,043	97,233
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to common shareholders (Millions of yen)	47,043	97,233
Average number of common stock during the period (Shares)	101,950,064	101,970,207
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	—	—
Increase in number of common stock (Shares) (share subscription rights)	140,167 (140,167)	148,102 (148,102)

6. Subsequent Events

Not applicable.

4. Supplementary Information

(1) Sales Breakdown by Product Category/Operations

	Six months ended 29 February 2016 (from 1 September 2015 to 29 February 2016)		Six months ended 28 February 2017 (from 1 September 2016 to 28 February 2017)		(Reference) Year ended 31 August 2016	
	Revenue (Millions of yen)	Percent of Total (%)	Revenue (Millions of yen)	Percent of Total (%)	Revenue (Millions of yen)	Percent of Total (%)
Men's clothing	185,457	18.3	179,562	17.6	319,995	17.9
Women's clothing	208,993	20.7	214,119	21.0	379,837	21.3
Children's & Baby's clothing	31,809	3.1	33,937	3.3	55,005	3.1
Goods and other items	13,020	1.3	12,206	1.3	20,935	1.2
Total sales of UNIQLO Japan	439,280	43.4	439,826	43.2	775,773	43.5
Franchise-related income & alteration charges	14,412	1.4	15,296	1.6	24,044	1.3
Total UNIQLO Japan Operations	453,693	44.8	455,122	44.8	799,817	44.8
UNIQLO International Operations	389,255	38.5	392,862	38.6	655,406	36.7
Total UNIQLO Operations	842,948	83.4	847,985	83.4	1,455,224	81.5
Global Brands Operations	167,316	16.5	168,198	16.5	328,557	18.4
Other Operations	1,387	0.1	1,324	0.1	2,691	0.1
Total	1,011,653	100.0	1,017,508	100.0	1,786,473	100.0

- (Notes)
1. Franchise-related income refers to the proceeds from garment sales to franchise stores, plus royalty income. Alteration charges refer to income generated from embroidery prints and alterations to pants length.
 2. UNIQLO Operations cover the selling of UNIQLO brand casual clothing.
 3. Global Brands Operations consist of GU operations (selling of GU brand casual clothing), Theory operations (selling of Theory, Helmut Lang and PLST brand clothing), COMPTOIR DES COTONNIERS operations (selling of COMPTOIR DES COTONNIERS brand clothing), PRINCESSE TAM.TAM operations (selling of PRINCESSE TAM.TAM brand clothing), and J Brand operations (selling of J BRAND brand clothing).
 4. Other Operations include real-estate leasing business.
 5. E-commerce revenue from UNIQLO Japan (internet and other direct sales channels)
Year ended 31 August 2015: 32,409 million yen, Six months ended 29 February 2016: 25,321 million yen
Year ended 31 August 2016: 42,167 million yen, Six months ended 28 February 2017: 28,295 million yen
 6. The above amounts do not include consumption taxes, etc.

4. Resumption of Trading

At the request of the Company, trading in its Hong Kong depositary receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 13 April 2017, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Tuesday, 18 April 2017.

On behalf of the Board
FAST RETAILING CO., LTD.
Tadashi Yanai
Chairman, President and Chief Executive Officer

Japan, 13 April 2017

As of the date of this announcement, the Executive Director is Mr. Tadashi Yanai, the Independent Non-executive Directors are Mr. Toru Hambayashi, Mr. Nobumichi Hattori and Mr. Masaaki Shintaku, and the Non-executive Directors are Mr. Toru Murayama and Mr. Takashi Nawa.